UNDERSTANDING THE INDIAN ECONOMY

9^{TH} ECONOMICS

SECTORS OF INDIAN ECONOMY:-

1. **Primary Sector:** When the economic activity depends mainly on exploitation of natural resources, then the activity comes under the primary sector. The primary sector includes agriculture, forestry, fishing and livestock. Also known as agricultural sector.
2. **Secondary sector:** When the main activity involves manufacturing, then it is called the secondary sector. Example being the industrial sector.
3. **Tertiary sector:** When the activity involves providing intangible services, then this a part of the tertiary sector. Example being Financial services, Telecommunications, Insurance etc. Also known as service sector.

OTHER SECTORS:

1. **Organised sector:** Organised sector covers those places of work where terms and conditions of work are properly framed and followed. They get paid leave, payment during holidays, provident fund, gratuity etc.
2. **Unorganised sector:** The unorganized sector is characterized by small and **scattered** units which are largely outside the control of the government. Jobs here are low paid and often not regular. Employment is not secure. This sector includes a large number of people who are employed on their own doing small jobs such as selling on the street or doing repair work.
3. **Public sector:** In public sector, the government owns most of the assets and provides all the services e.g. Railways or post offices.
4. **Private Sector:** In private sector, ownership of assets and delivery of services is in hands of private individuals or companies e.g. Reliance, Airtel etc.

NATURE OF THE INDIAN ECONOMY:

1. **Mixed Economy:** It is an economy where both public and private sector co-exist. The term Mixed Economy was coined by J.M Keynes.

2. Agrarian Economy: is a type of economy that relies primarily on agriculture.

3. Developing Economy: Following features show that Indian economy is a developing economy:-

*low per capita income.

*heavy population pressure.

*chronic unemployment.

*unequal distribution of assets/wealth.

*occupational pattern is primary sector dominated.

GROSS DOMESTIC PRODUCT (GDP):

It is the value of all final goods and services produced within a country during a particular year. It is the sum of production in the three sectors of a country's economy. GDP shows how big the economy of a country is.

Symbolically,

GDP=C+G+I

C=consumption expenditure.

G= government expenditure.

I=investment expenditure.

GROSS NATIONAL INCOME (GNI):-previously known as Gross National Product(GNP) refers to the total output of production of final goods and services produced by national residents of a country during a given period of time, generally a year.

Symbolically,

GNI=GDP+net income from abroad.

The main difference is that GNI takes into account net income receipts from abroad.

GLOBALISATION:-

*is the process of interaction and integration among people, companies, and governments worldwide.

*It entails the integration of local and national economics into a global market economy.

*Globalisation has grown due to advances in transportation and communication technology.

*Globalisation is characterized by trends such as:

Increased trade across national boundaries.
One company having subsidiary companies and plants in many countries.
One company selling its products in many different countries.
Growth of joint ventures and technical collaborations between companies from different countries.
Lowering of trade barriers and simplified import and export procedures.
Faster and wider spread of new technologies across the world.

MULTI-NATIONAL CORPORATION(MNS):-

*is an enterprise operating in several countries but managed from one home country.

*MNCs set up offices and factories for production in the regions where they can get cheap labour and other resources. This is done so that the cost of production is low and the MNCs can earn greater profits.

*An investment made by the MNCs is called foreign investment.

*MNCs are agents of Globalization.

ADVANTAGES AND DISADVANTAGES OF MNCs:-

*There are a number of advantages to establishing international operations. Having a presence in a foreign country such as India allows a corporation to meet Indian demand for its product without the transaction costs associated with long-distance shipping.

*Corporations tend to establish operations in markets where their capital is most efficient or wages are lowest. By producing the same quality of goods

at lower costs, multinationals reduce prices and increase the purchasing power of consumers worldwide.

*Establishing operations in many different countries, a multinational is able to take advantage of tax variations by putting in its business officially in a nation where the tax rate is low—even if its operations are conducted elsewhere.

* The other benefits include spurring job growth in the local economies, potential increases in the company's tax revenues, and increased variety of goods.

*Those opposed to multinationals say they are ways for corporations to develop a monopoly (for certain products), driving up prices for consumers, stifling competition, and inhibiting innovation.

*They are also said to have a detrimental effect on the environment because their operations may encourage depletion of local (natural) resources.

*The introduction of multinationals into a host country's economy may also lead to the downfall of smaller, local businesses.

PEOPLE AS RESOURCE:-

*refers to a country's working people in terms of their existing productive skills and abilities.

*The term 'Human Resource' can also be used which means those who are mentally and physically fit to contribute to the economy of the country.

*When the existing human resource is further developed by investing more in education, medical care, training, we call it 'human resource formation'.

QUALITY OF POPULATION:

*The education and health of the people of a country can be considered as major factors determining quality of the population of a country.

*The quality of population depends upon the literacy rate, health of a person indicated by life expectancy and skill formation acquired by the people of the country.

*The other related factors which determine the quality of the population are unemployment, poverty etc. These two factors pose threat to the growth and development of the country.

ROLE OF EDUCATION IN HUMAN RESOURCE DEVELOPMENT:-

*The prime factor in human resource development is education .It has been considered the most important single factor in achieving rapid economic development. Education helps to improve employees knowledge and skills which in turn increase the quality and quantity of production.

*Indian govt. has introduced various schemes at various levels to strengthen and universalize education in India.

*Literacy rates in India have risen sharply from 18.3 percent in 1951 to 74.04 percent in 2011.

*The National Policy on Education(1986) provides a broad policy of framework for total eradication of illiteracy and a commitment to make primary education free and compulsory up to Vth standard, besides ensuring higher government and non-government expenditure on education.

*Gross Enrolment Ratio(GER) has increased progressively from 32.1 in 1950-51 to 84.91 in 2003-2004.

*The 86th constitutional amendment Act 2002 led to insertion of Article 21-A in Part I of the constitution that made free and compulsory education for all children between 6 and 14 years of age, a fundamental right.

*The govt. has initiated many schemes for promoting elementary education .

*Sarva Shiksha Abhiyan(SSA) has been operational since 2000-2001 and addresses the needs of 209 million children in the age group of 6-14 years. It covers 9.72 lakh existing primary and upper primary schools and 36.95 lakh teachers.

*At the secondary level, the scheme launched in May 2009 called Rashtriya Madhyamik Shiksha Abhiyan(RMSA) has been introduced to enhance access to secondary education and to improve its quality by the year 2017.

*Mid-day meal scheme was launched on 15th August 1995 in every govt. and govt. aided primary school to make provision for providing cooked meals to children, with a view to enhance enrolment, retention and attendance and simultaneously improving nutritional level among children.

*Kasturba Gandhi Balika Vidyalaya Scheme was launched in August, 2004 to set up 750 residential schools at elementary level for girls belonging predominantly to the SC, ST, OBC and minorities.

ROLE OF HEALTH IN HUMAN RESOURCE DEVELOPMENT:-

*Improvement in health of population is an important element of human resource development. Good health means increase in the overall efficiency, productivity and mental abilities of a person.

*During the last 65 years, efforts and investments have been made to build up health infrastructure and the man power required to run it.

*In India, the life expectancy has gone up by five years, from 62.3 years for males and 63.9 years for females in 2001- 2005 to 67.3 years and 69.6 years in 2014-2015.

*Crude birth rates have dropped to 26.1 and death rate to 8.7 according to 2009 estimates.

*The country has a well- structured three tier public health infrastructure, comprising Community Health Centres(CHCs), Primary Health Centres(PHCs) and sub-centres(SCs) spread across rural and semi- urban areas and tertiary medical care providing multi-specialty hospitals and medical colleges located almost exclusively in urban areas.

*Improvements in health indicators can be attributed in part to this network of health infrastructure. However, inadequacies in this infrastructure including shortage of personnel, resulted in glaring gaps in coverage and outreach of services, particularly in the rural areas.

*The govt. also needs to lay emphasis on wider determinants of healthcare such as food and livelihood security, drinking water, women's literacy, nutrition and sanitation.

UNEMPLOYMENT:- It is a situation in which the able-bodies persons who are willing to work at existing wage rate do not get work. NSSO(National Sample Survey Organisation) defines unemployment as a situation in which all those who, owning to lack of work, are not working but seek work either through employment exchange, intermediaries, friends, relatives or by making applications to prospective employers or express their willingness or availability for work under the prevailing conditions of work and remuneration.

TYPES OF UNEMPLOYMENT:-The unemployment in India can be broadly classified as Rural unemployment and Urban unemployment.

1.Rural Unemployment: There is seasonal and disguised unemployment in rural areas.

- **Seasonal unemployment:** occurs when people are unemployed only at certain times of the year because they are not needed all year round. Seasonal unemployment is faced in occupations like agriculture, tourism etc.
- **Disguised unemployment:** or hidden unemployment refers to the situation where more people are employed in a work than actually required. This is the major form of unemployment in rural areas and usually happens among family members engaged in agricultural activity. The work requires the services of five people but engages eight people.

2.Urban Unemployment: Urban areas have mostly educated unemployment.

- **Educated unemployment:** Unemployment among educated people is quite large in India. This type of unemployment creates instability and loss of output as educated people who are considered the backbone of economy stay out of production. This type of unemployment in India has taken place due to increasing educational facilities at school, college, technical and research level without any placement support.

POVERTY:- refers to a situation in which people are unable to meet their basic necessities of life, i.e. minimum consumption requirements like food, clothing, shelter, health, education, housing, etc.

Poverty in India is a serious problem which is broadly classified into two categories:

- **Rural poverty:** It consists of landless farmers, rural artisans, backward castes and tribes.
- **Urban Poverty:** It consists of educated unemployed, low paid workers, rickshaw pullers, domestic servants, daily wage earners and under-employed people.

Every fourth person in India is poor. This means, roughly 260 million(or 26 crore) people in India live in poverty. This also means that India has the largest single concentration of the poor in the world.

POVERTY LINE:-

*It is a cut-off point on the line of distribution which divides the population as the poor and non-poor. People having income below poverty line are poor and people having income above poverty line are non-poor.

*Ratio of people living below poverty line is called Head Count Ratio.

* According to Planning Commission, Poverty Line refers to that per capita monthly expenditure which enables a person living in rural area to get 2400 calories per day and one living in urban area to get 2100 calories per day.

*Those below the limit are popularly known as people living below poverty line(BPL). Those living above the limit are known as above poverty line(APL).

CAUSES OF POVERTY IN INDIA:

- Population Explosion.
- Rural economy and backward agriculture.
- Underutilized resources.
- Lack of infrastructure.
- Unequal distribution of Income and Wealth
- Low rate of capital formation
- Inflation
- Failure of Poverty Alleviation Programmes.
- Socio-cultural factors.

POVERTY ALLEVIATION PROGRAMMES: Removal of poverty has been the main concern of economic planning in India. To tackle this problem, the govt. adoptef various poverty allievation programmes.

1.Prime Minister Rozgar Yojna(PMRY)---started in 1993.

2.Employment Assurance Scheme(EAS)---launched on 2nd October,1993

3.National Social Assistance Programme(NSAP)---launched on 15th August, 1995

4.Rural Employment Generation Programme(REGP)---launched in 1995.

5.Swarnajayanti Shahri Rozgar Yojna(SJSRY)---launched in December, 1997

6.Jawahar Gram Samridhi Yojana(JGSY)---intoduced in April,1999.

7.Swarnajayanti Gram Swarozgar Yojna(SGSY)---launched in1999.

8.Antodaya Anna Yojna(AAY)---launched in December 2000

9.Pradhan Mantri Gramodaya Yojna(PMGY)---introduced in 2000-01

10.National Food for Work Programme(NFWP)---launched in 2004

11. Mahatma Gandhi National Rural Employment Guarantee Act(MGNREGA)--- 2005

FOOD SECURITY:-

Food Security was defined by the World Food Summit held in 1995 as, "Food Security at the individual, household, regional, national and global levels exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life"

It has the following dimensions:

1. Availability of food: means food production within the country, food imports etc. are sufficient to meet the requirements.

2. Accessibility: means food is within the reach of every person.

3. Affordability: implies that an individual has enough money to buy sufficient, safe and nutritious food to meet one's dietary needs.

WHO ARE FOOD INSECURE?

*As per Food and Agricultural Organisation, there are 800 million chronically hungry people around the world.

*About 20% of the people in the developing world including India struggle to survive on diets that do not provide the basic energy they need to be active and healthy.

*In India, the most affected are landless people, agricultural labourers, casual labourers, petty self-employed workers, artisans, destitute, beggars, low caste people from SC, ST and OBC.

*The food insecure people are disproportionately large in some regions of the country, such as economically backward states with high incidence of poverty, tribal and remote areas, regions more prone to natural disasters etc.

*The states of Uttar Pradesh, Bihar, Jharkhand, Orissa, West Bengal, Chhattisgarh, Madhya Pradesh and Maharashtra account for largest number of food insecure people in the country.

FOOD SECURITY DURING A CALAMITY:-

*The poorest section of the society might be food insecure most of the times while persons above poverty line might be food insecure when the country faces a national disaster or calamity.

*Due to natural calamity, total production of food grains decreases. It creates a shortage of food in the affected areas. Due to shortage of food, the prices goes up

*At the high prices, some people cannot afford to buy food. If such calamity happens in a very wide spread area or is stretched over a longer time period, it may cause a situation of starvation.

PUBLIC DISTRIBUTION SYSTEM:

*The Public Distribution system(PDS) ensures availability of essential commodities like wheat, rice, sugar, edible oils and kerosene to the consumers through a network of outlets or Fair Price Shops(FPS).There is at present a network of about 5.5 lakh PDS retail outlets in the country.

*Ration shops are known as Fair Price Shops. Ration cards have been issued to people who can buy fixed quantity of items(e.g, 35 kg of grains, 5 litres of kerosene, 5 kg of sugar, etc) every month from the nearby ration shop.

*There are three types of Ration cards:

(i)Antyodaya Cards for the poorest of the poor.

(ii)BPL cards for those below poverty line;

(iii)APL cards for all others.

*PDS is operated under the joint responsibility of the Central and State Govts. The Central Government bears the responsibility of procurement, storage, transportation and bulk allocation of foodgrains, rice and wheat at subsidized prices, while the responsibility of distribution to consumers through FPSs rests with the State Governments.

TARGETED PUBLIC DISTRIBUTION SYSTEM:-

*The PDS as it operated earlier had been widely criticised for its failure to serve the population below the poverty line. Therefore, on the basis of the recommendations of the Chief Ministers' Conference held in July, 1996, an effort was made to streamline the PDS, through the introduction of the Targeted Public Distribution System(TPDS) in June, 1997.

*This system follows a two tier subsidized pricing structure: for families Below Poverty Line(BPL) and for those Above Poverty Line(APL).

*BPL population receive rice and wheat at a much lower price(hence highly subsidized) whereas APL population is supplied at a price which is much higher and closer to the economic costs.

*The identification of poor under the scheme is done by the states as per the state-wise poverty estimates of Planning Commission based on the methodology of the Lakdawala Expert Group.

TEXT BOOK QUESTIONS:

Fill in the blanks:

1. Actions that involve the production ,distribution and consumption of goods and services at all levels within a society are called <u>Economics activities .</u>

2. The <u>Secondary sector</u> is also called as industrial sector.

3. The sum of Production in the three sectors gives what is called the Gross domestic Product of a country.

4. Multinational Corporation refers to in which activities of a large number of business enterprises is carried out in many different locations across national boundaries.

5. The Education and Health of the people of a country can be considered as major factors determining quality of the population of a country.

6. NSSO defines Unemployment as a situation in which all those who, owing to lack of work are not working but seek work.

7. In the Public sector, the government owes most of the assets and provides all the services.

8. Poverty is defined as a situation of lack of income to acquire minimum necessities of life.

9. The consumption levels as states to determine the poverty line are 2400k (calories) for rural areas and, 2100 k (calories) for urban areas.

10. The rate at which the FCI purchases wheat and rice from the farmers in states where there is surplus production is called Minimum Support Price (MSP) .

One Word Answer:

1. The Sector which generates employment and income in agriculture is called : Primary Sector

2. Rearing of animals for milk and milk products is called : Dairy farming

3. Tertiary sector is also called : Service Sector

4. Sector characterized by small and scattered units is called : Unorganized Sector

5. A person living below the poverty line is : BPL /Poor

Very Short Answer Type Questions

Q1. What are the activities under taken in the primary sector, secondary sector and tertiary sector?

Ans .Activities performed under:

a. Primary sector: Dairy, fishing, agriculture and forestry.

b. Secondary Sector: Basket Weaver, Worker in a factory, making bricks etc.

c. Service or tertiary sector: Banker, truck driver, call-centre employee, courier service etc.

Q2. What do you mean by 'people as a resource '?

Ans. People as resource refers to a country's working people in terms of their existing productive skills and abilities. We can also use the term 'Human resource' which means those who are mentally and physically fit. When the existing human resource is further developed by becoming more educated and healthy, we call it "human capital formation' that adds to the productive power of the country.

Q3. Explain the term 'Poverty Line '?

Ans. Poverty line may be defined as a line which differentiates between poor and non-poor. The line as such may not be a marked line but the value expressions that state the limits of poverty. The limits of poverty may be in terms of income or consumption.

Q4. What is Buffer Stock?

Ans .A buffer stock refers to an amount of physical stock of foodgrains like wheat and rice which the government keeps on hand to protect against unexpected supply and demand variations and for the purpose of stabilizing

prices in the economy. This stock is used to distribute food grains in deficit areas and among poorer stratra of society at a lower price than the market price.

Q5. What is meant by ‘Food for work ’programme?

Ans.Food for work programme was launched on November 14, 2004 in 150 most backward districts of the country with the objective of intensifying the generation of supplementary wage employment. It is implemented as a 100% centrally sponsored scheme and food grains are provided to states free of cost.

Long Answer Type Questions Answer

Q1. What is Gross Domestic Product? How is it calculated? Describe the contribution of the three sectors to the GDP of the Indian economy.

Ans .Gross domestic product means the monetary value of all final goods and services produced within a country during a particular year. It is the sum of production in the three sectors of a country. GDP is calculated by combining value added by all businesses, including manufacturing, mining and services. Traditionally we are an agrarian society, it is reflected by the fact that even about 49% of our workforce was employed in agriculture and allied activities like forestry and fishing. The primary sector contributes to only 15.11% of the GDP. Secondary sector such as industries and processing employs about 22% of the workforce with around 31.12% contribution to the GDP. Tertiary sector is the biggest beneficiary of globalization and open trade. Indian services bring her more than 53.77% of GDP while employing less than 27% workforce. This sector has witnessed biggest relative growth in terms of GDP.

Q2. What are the various forms of Unemployment?

Ans. Following are various types of unemployment.

a. Seasonal unemployment: Seasonal unemployment occurs when people are unemployed only at certain times of the year because they are not needed all year round. Seasonal unemployment is faced in occupations like agriculture, tourism etc.

b. Disguised unemployment: or hidden unemployment refers to the situation where more people are employed in a work than actually required. This is the major form of unemployment in rural areas and usually happens among family members engaged in agricultural activity. The work requires the services of five people but engages eight people.

c. Educated unemployment: Urban areas have mostly educated unemployment. It means joblessness among the educated class. This type of unemployment creates instability and loss of output as educated people who are considered the backbone of economy stay out of production. This type of unemployment in India has taken place due to increasing educational facilities at school, college, technical and research level without any placement support.

Q3. Define poverty. Explain four important anti-poverty measures undertaken by the Government of India?

Ans .Poverty refers to a situation in which a section of society is unable to meet its basic needs. This includes minimum human needs in respect of food, clothing, housing, health and education. Poverty is thus defined as a situation of lack of income to acquire minimum necessities of life. Following are the four anti – poverty measures undertaken by the Government of India:

a. MGNREGA: Mahatma Ghandi National Rural employment guarantee act is a scheme implemented by the government. The scheme guarantees unskilled wage employment of 100 days. It was launched in 2005.

b. NFWP: National ford of work programme was launched in 2004 in 150 most backward districts of the country. It is 100% central sponsored scheme and food grains are provided free of cost to the states.

c. REGP: Rural employment generation programme was launched in 1995. Under this programme one can get assistance in the form of loans to establish small business.

d. AAY: Antodaya Anna Yojna was launched in December 2000. Under this programme the poorest eligible families among the BPL were provided the 25 kg food at highly subsidized rate of Rs 2/kg of wheat and Rs 3/kg of rice.

Q4. Define Food Security .Describe the three dimensions of food security.

Ans .The 1995 world food summit declared, “Food security at the individual, household, regional, national and global levels exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active an healthy life”. It has following dimensions:

a. Availability of food means food production within the country, food imports etc. are suffice to meet the requirements.

b. Accessibility: means food is within the reach of every person.

c. Affordability: Implies that an individual has enough money to buy sufficient, safe and nutritious food to meet one’s dietary needs.

Phase II 9th Economics
Money and Banking

A. Fill in the blanks:

i. Reserve Bank of India issues currency notes on behalf of the central Government.

ii. Banks charge a higher interest rate on loans than what they offer on deposits.

iii. Collateral is an asset that the borrower owns and uses as a guarantee until the loan is repaid to the lender.

iv. A saving account is the simplest form of bank account which can be opened by any individual for encouraging savings.

v. The most common form of payments being made instead of cash is a bank instrument called a cheque.

vi. This is also called a remotely created check, Demand Draft.

B. One word answer:

i. The central bank of India, __Reserve Bank of India.(RBI)

ii. One nationalized Bank of India ,__State Bank of India.(SBI)

iii. One privately owned bank in India, __HDFC Bank.

iv. One post office savings scheme, __Senior Citizen Savings Scheme.

v. One cooperative bank in rural India giving loans to farmers__Grameen Bank.

C.Very short /short answer type questions.

1. What is double coincidence of wants? Explain with an example of your own.

Ans: "Double coincidence of wants" means "what a person desires to sell is exactly what the other wishes to buy". For example, a farmer has surplus rice and needs to buy clothes. On the other hand, the clothes merchant has clothes but needs rice. When both parties agree to buy and sell commodities to each other, this is double coincidence of wants.

2. Why is money called a medium of exchange?

Ans: Money is any medium that can be exchanged for goods and services. Since money acts as an intermediate in the exchange process, it is called a medium of exchange.

3. What are different forms of modern currency?

Ans: The different forms of modern currency include plastic money i.e debit card and credit card.

4. Who is authorized to issue currency in India?

Ans: The Central Bank of India i.e Reserve Bank of India us authorized to issue currency in

India.

5. Why can no one refuse to accept payment in rupees?

Ans: The rupee is a universally accepted medium of exchange in India because it is authorized by the government of the country and no person in India can legally refuse a payment made in rupees.

6. Why are the deposits in the bank account called deposits?

Ans: The deposits in the bank account are called deposits because the money deposited is safe and secure with the bank and can be withdrawn as and when it is required.

7. How do banks mediate between those who have surplus money and those who need money?

Ans: People deposit their extra money in the bank and majority of these deposits are used by banks to extend loan facility to those customers who are in need of money.

8. Define a cheque?

Ans: A cheque is a paper instructing the bank to pay a specific amount from the person's account to the person in whose name the cheque has been issued. The maker of a cheque is called the 'drawer' and the person directed to pay is the 'drawee'.

9. Define a Loan.

Ans: Loan is a facility that refers to an agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future payment.

10. Why do lenders ask for collateral while lending?

Ans: Collateral is the asset that the borrower owns (land, business, house, vehicle, livestocks, deposits with banks) and is kept with the lender / bank as a guarantee till the loan is repaid in full. If the borrower fails to repay the loan, the lender has the right to sell the collateral to obtain payment.

D.Long answer type questions:

1. What are the various forms of modern money?

Ans: The modern forms of money include currency, Demand Deposits, and Plastic money (debit cards, credit cards)

- **Currency:** Every country has its own currency. In India currency notes and coins are issued by the reserve bank of India on behalf of the government.
- **Demand Deposits:** The other form in which people hold money can be as deposits with banks and these deposits can be withdrawn anytime on demand.

- **Plastic Money:** Refers to the hard plastic cards which we use every day in place of actual bank notes. They come in many different forms such as debit card, credit card.

2. What is the procedure of opening a savings bank account?

Ans. The first step involves choosing or selecting a bank with which a person wants to open an account. The next step is filling up the prescribed application form. The application involves information regarding name, residence and space for fixing a photograph. The filled up application form is to be submitted to the bank, along with necessary relevant documents like identity proof, residence proof etc. After successful submission of the form, the bank issues an account number and provides passbook which contains particulars of the account holder. The bank may also issue ATM card.

3. How can you withdraw money from a Savings Bank Account?

Ans. The cash can be withdrawn by visiting the branch and filling withdrawal form. The bank official will identify the person through passbook photograph and signature on withdrawal form. The other procedure is by cheque. The cheques can be signed and issued by the account holder and the bank will issue cash against such cheque. ATM (Automated Teller Machine) is also used to withdraw money. After inserting the card, ATM will ask for pin (electronic key) to proceed. The machine will ask for options like amount to be drawn etc and at

the end of transaction the ATM will provide slip showing amount withdrawn and balance remaining with the bank.

4. What are the various forms of Plastic money?

Ans. Plastic money comes in various forms like:

- A debit card also known as a bank card is a plastic card that provides the cardholder electronic access to his bank account. The card, where accepted, can be used instead of cash when making purchases. Mostly the debit card is used for ATM transactions.
- A credit card allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card creates a revolving account and grants a limit of credit to the consumer (or the user) from which the user can borrow money for payment to a seller as a cash advance to the user.

5. Explain the various credit and loan activities of banks with an example.

Ans. People deposit their suplus funds with the banks and banks keep only a small portion of their deposits as cash with themselves to pay depositors who may want to withdraw their money on any day. The balance of deposits is lent out to those who are in need of money. Banks charge higher interest from the loans as compared to the

interest paid to the deposit. The difference between two rates is the bank's profit.

Suppose a person deposits Rs 1 lakh in the bank. As per rule, the bank keeps certain percentage; say 20% as cash, i.e. 20 thousand. The bank can lend the rest of loan and claim the amount back in future along with the interest.

9^{th} Disaster Management

Chapter: Man-Made Disasters

Over View:

Man-made Disasters also termed as human-induced disasters or of anthropogenic origin is a Man-made event of sudden or progressive which impacts the affected community adversely. It is referred as emergency situation in which there is probability of loss of lives and properties due to man-made causes. They disrupt the normal pattern of life, affect people, impact on social structure and wreak economic damage. In most cases of natural disasters, the hazard is directly attributable, however, Man-made disasters have a slow onset and causes are complex and sometimes may result from natural disasters. Human-induced disasters could arise from indiscriminate industrialization, overpopulation, use of the hazardous substance, accidents, negligence on the part of professionals, ignorance or unintentional activity

The Hyogo Framework for Action has declared 2005-2015 while the United Nations Decade of Education for Sustainable Development has declared the decade for disaster reduction and its incorporation in education system involving the climate change as one of its major part. It aims at the promotion of “The World Disaster Reduction Campaign” and slogan of “Disaster Risk Reduction Begins at School” . The good practices under this campaign include awareness generation in the schools for disaster preparedness, disaster prevention and generation of various approaches and strategies for making school safer

Disasters

Disaster is also described as "A catastrophic situation in which normal pattern of life or ecosystem has been disrupted and extraordinary emergency interventions are required to save and preserve lives and environment".

United Nations Office for Disaster Risk Reduction (UNISDR) defines disaster as "A Disaster is a sudden, calamitous event that seriously disrupts the functioning of a community or society and causes human, material, economic, environmental losses that exceed the community's or society's ability to cope using its own resources. Though often caused by nature, disasters can have human origins".

As per Indian Disaster Management Act 2005, Disaster is defined as "A catastrophe, mishap, calamity or grave occurrence in any area, arising from natural or man-made cause, or by accident or negligence which results in substantial loss of life or human suffering or damage to, and destruction of property, or damage to, or degradation of, environment, and is of such a nature or magnitude as to be beyond the coping capacity of the community of the affected area" (DM Act, 2005).

Man-made Disasters

Man-made Disasters or Human Induced Disasters or Disasters of anthropogenic origin are sudden or progressive Man-made events which disrupt the normal pattern of life affect people, impact on social structures and also cause economic damage.

In most cases of natural disasters which are sudden and intense, except for accidents, Man-made disasters have a slow onset; as the underlying cases would

be growing over the period of time. Man-made disasters could also result from natural disasters, For example, Building fire may result in the stampede. Natural disasters like droughts and floods are also related to indiscriminate industrialization, overpopulation, increased use of hazardous substances or processes, negligence etc.

Human-induced disaster could arise from the unintentional activity as poor maintenance, low quality work or human error, or from the intentional activity like sabotage, mischief, revenge, riots, mob fury, enemy attack etc.

Sometimes they are related to industrial and technological causes a result of system or process malfunctioning as in case of nuclear or chemical disaster, gas leakage, explosion or fire. For example, accidents like fires, boat and road accidents, railway accidents, railway accidents, air crash etc cannot be predicted, and only after they occur they can be attended to and managed as they belong to different categories and dealt differently.

Sometimes, Man-made disasters are the results of system or process malfunctioning as in the case of nuclear radiation, gas leak, explosion and fire, ignorance, accidents, human-induced activities, terrorism, wars etc. System failures or accidents occur due to technical malfunction or human error and activities.

Man-made disasters can be broadly classified as:

A. Industrial Disasters

They are caused due to malfunctions, failures, or unanticipated side effects of technological processes. Damage usually occurs in the form of explosions, fires,

spills, leaks or wastes. A technological disaster may result from the toxic chemical spill, radiation fallout, explosion and fire, structural failure or transportation failure, toxic poisoning, radiation contamination, air degradation, industrial emission, water pollution etc. An example of hazardous material disaster is Bhopal Gas Tragedy of Dec 1984 which claimed over 2500 lives and affected thousands of people directly or indirectly.

B. Fires

Fire accidents may occur in slums, towns, cities, industries, coal mines, forests etc. They may be caused by electricity, careless smoking, kitchen fire, careless use of naked flames, extremist activities etc. An example of school fire in Kumbakonam, Tamil Nadu on July 16th, 2004 where over 100 students and teachers of Lord Krishna Middle School were burnt alive due to fire from the kitchen when mid-day meal for children was being cooked.

C. Environmental Disasters

They may be air pollution, water pollution due to industrial effluents, civic waste, deforestation etc is also considered as the Man-made disaster. The various causes of environmental disasters are overpopulation, industries, increased energy consumption, low environmental awareness, inadequate environmental incorporated policies etc. Nuclear accidents and chemical disasters also result in environmental degradation involving man, animals, crops etc.

D. Rail and Road Accidents

Human road accidents are largely urban-centric and caused by the negligence of the drivers, lack of proper road sense in the public and improper use of vehicles. The road fatalities involve mainly pedestrians and bicyclists due to increase in a large number of vehicles on roads. Rail disasters are due to breaches of tracks, human failure, equipment failure, sabotage, non-observance of section 131 of Motor Vehicle Act 1988

E. Air and Sea Accidents

An air accident can occur at any phase e.g. in the air where it may be a collision or engine tear away, a wheels-up accident during the take-off, a nose-down type of accident or sabotage. Most accidents occur due to manual errors due to non adherence of safety norms. Sea accidents occur due to machinery breakdown, overloading of the boat, poor maintenance and manual error.

F. Complex Disasters

Situations entirely due to the human element such as wars, riots, terrorism are complex Man-made disasters. Growing urbanization, high-density areas with poorly built infrastructure etc subjects the inhabitants to greater risks in the event of a disaster. Complex disasters include epidemics, fires, gas leaks, and accidents. These result from the sale of harmful drugs, banned pesticides, excessive displacements of people due to development projects, systemic failure in civic services, exploitive trade, dumping of hazardous waste products etc

G. Biological Disasters

A biological disaster is a disaster, which causes sickness and fatalities in human beings and animals at mass scale, when they come in contact with biological

hazards in the form of living organisms, such as bacteria, virus, fungi etc. Destruction of crops and plantation also fall within the ambit of biological disasters. All communicable diseases, either of human beings or livestock are potential biological disasters. They spread widely; affect people in communities, sometimes across the geographical limits of nations

FOUR ELEMENTS OF EMERGENCY DISASTER MANAGEMENT:

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2.RESPONSE: includes measures taken in anticipation of, during, and immediately after a disaster to ensure that the effects are minimized.

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4.MITIGATION: consists of those measures which are taken to eliminate or reduce the incidence of severity of emergencies/disasters.

Evolution of Disaster Management in India

The Decade of 1990 was declared as “International Decade for Natural Disaster reduction” by the United Nations.

India established a Disaster Management cell under Ministry of Agriculture after facing a series of disasters in that decade e.g. Latur earthquake in 1993, Malpa Landslide in 1994 and Odisha super cyclone in 1999.

A committee was constituted in Aug 1999 to review arrangements for disaster management for various disasters and in 2002, the disaster management division of Ministry of Agriculture was shifted to Ministry of Home Affairs.

Government of India finally enacted Disaster management Act on 23 Dec 2005 which laid down institutional, legal, financial measures for disaster management and coordination mechanisms of government and non-government machineries at national, state and district level so as to manage all types of disasters in Indian subcontinent.

TEXTUAL ANSWER (KEY)

Fill in the blanks: (Self Attempt)

True /False (Self Attempt)

Short Answers:

Q1. Write a short note on chemical disaster?

Ans: A chemical disaster is the unintentional release of one or more hazardous substances which could harm human health and the environment in the course of industrial activity (handling), storage or transportation. Such events include fires, explosions, leakages or release of toxic or hazardous materials that can cause people illness, injury, or disability. The usage of Chemical has increased

many folds for increasing crop yields, water purification etc. These chemicals which are helpful to mankind cam be harmful to humans and environment.

Q2. Illustrate some events of natural fires in J&K?

Ans:

1. Rajouri Forest Fire -May 26, 2018.
2. Zabarwan Forest Fire -2017.
3. Shalkhud Forest Fire -2016
4. PhaqeerGojri Forest Fire -2015
5. Mulnar Forest Fire-2016.

Q3. Enlist some of the causes of road accidents?

Ans: Following are some causes of road accidents.

a. Negligent Driving

b. Low visibility

c. Bad road conditions.

d. Rash driving and overtaking on wrong side.

e. Drink & drive.

f. Use of headphone while driving.

g. Talking on phone, while driving.

h. Listening loud music while driving.

<u>Long Answers:</u>

Q1. What is a Forest Fire? How can it be controlled?

Ans: Forest Fire can be defined as burning of trees, bushes, shrubs. The plants

get ablaze and cause air pollution. Sometimes, the endangered, rare or endemic species of flora and fauna get victimized and get perished forever. Following are some ways by which we can control forests fires:

a. Construction of paths or roads in forests.

b. Ban on fire camps, smoking, burning of wood in forests.

c. School programs and proper education regarding prevention of forest fires.

d. Perform routine maintenance checks on all machinery and equipment.

Q2. What do you understand by environmental degradation? What are the factors responsible for it?

Ans: Environment denotes all the elements, processes and conditions around us. Environmental degradation is the process by which the environment i.e. air, water and land, is progressively contaminated, over exploited and destroyed. The quality and quantity of environment gets degraded.

Some of the factors responsible for environmental degradation are:-

a. **Growing population:** Huge population leads to huge production of waste, which results in environmental degradation.

b. **Pollution:** Due to industrialization, urbanization and we are adding more and more of pollution into the environment.

c. **Solid Waste:** One of the major causes of environmental degradation is generation of solid waste.

d. **Industrialization:** Raped industrialization has been the foremost contributor to environment degradation.

e. **Agricultural Development:** Extensive use of fertilizers and pesticides has been a major source of contamination of water bodies and land degradation.

Q3. How chemical disaster can be prevented?

Ans: Following are some ways by which we can prevent chemical disaster:

a. Chemical industries should be established in isolated areas so that loss of lives and number of injuries can be reduced or minimized.

b. Usage of high quality equipments and regular check up of these equipment's by the experts.

c. Experts and skilled persons should be employed in these industries.

d. By listening to radio and following official instructions.

e. Public awareness programmes should be held regarding highly toxic chemicals and their disasters.

DISASTER MANAGEMENT.

KEY TERMS:

HAZARD:

*is a situation that poses a level of threat to life, health, property or environment.

*A hazard becomes a disaster when it hits an area affecting the normal life.

DISASTER:

*Disasters occur when hazards meet vulnerable situations.

*A disaster is a natural, man- made or technological event that causes significant physical damage or destruction, widespread loss of life or drastic change to the environment.

*Disasters can destroy the economic, social and cultural life of people.

Three types of disasters are:

- Natural - Hurricanes, tornadoes, earthquakes, floods, volcanoes, etc.
- Technological - Chemical releases, power outages, natural gas explosions, etc.
- Man-made - Terror attacks, race riots, mass shootings, etc.

MITIGATION:

*is an effort to reduce loss of life and property by reducing the impact of disasters.

*Mitigation is taking preventive actions before the next disaster happens in order to reduce human and financial consequences.

NATURAL DISASTER:

*is an event that is caused by natural hazards and leads to loss of life and damage to physical infrastructure and environment.

Examples are 2005 Muzaffarabad earthquake, 2005 Waltengo snow avalanche, 2010 cloudburst in Leh, Landslides etc.

MAN MADE DISASTERS:-

*cause serious damage to life, property, and environment due to human induced activities.

*Examples are 1984 Bhopal Gas tragedy, 1994 Kumbokonam school fire, terrorist attack, bomb blasts, road and rail accidents, global warming etc.l

EARTHQUAKES:

*An earthquake is the shaking of the surface of the Earth resulting from a sudden release of energy in the Earth's lithosphere that creates seismic waves.

*Earthquakes can range in size from those that are so weak that they cannot be felt to those violent enough to propel objects and people into the air, and wreak destruction across entire cities.

*Earthquakes are usually caused when rock underground suddenly breaks along a fault. When two blocks of rock or two plates are rubbing against each other, they stick a little. They continue to move until they get stuck again. The spot underground where the rock breaks is called the focus of the earthquake. The place right above the focus (on top of the ground) is called the epicenter of the earthquake.

*The safety measures that should be adopted during an earthquake are:
a. Remain calm.
b. If you are inside a building, watch for falling plaster. Light fixtures.
c. Stay away from glass, window, mirrors and chimneys.
d. if in danger get under a table, desk or bed in a corner.
e. If outside avoid high building walls, power poles and other objects that could fall.
f. If surrounded by buildings take shelter in the nearest strongest one.
g. If in an automobile, stop in a safe place available, preferably an open area.
h. Don’t use elevators while coming out of a building instead use stair cases

LANDSLIDES:

*The term landslide or less frequently, landslip, refers to several forms of mass wasting that include a wide range of ground movements, such as rockfalls, deep-seated slope failures, mudflows, and debris flows.

*A landslide is any geologic process in which gravity causes rock, soil, artificial fill or a combination of the three to move down a slope.

*Several things can trigger landslides, including the slow weathering of rocks as well as soil erosion, earthquakes and volcanic activity.

*Landslides cause property damage, injury, and death and adversely affect a variety of resources. For example, water supplies, fisheries, sewage disposal systems, forests, dams, and roadways can be affected after a land slide.

*Landslides are aggravated by human activities, such as:

- deforestation, cultivation and construction;

- vibrations from machinery or traffic;
- blasting and mining;
- earthwork (e.g. by altering the shape of a slope, or imposing new loads);
- in shallow soils , the removal of deep-rooted vegetation that binds colluviums to bedrock;
- agricultural or forestry activities (logging), and urbanization, which change the amount of water infiltrating the soil.

*There are also various direct methods of preventing landslides; these include modifying slope geometry, using chemical agents to reinforce slope material, installing structures such as piles and retaining walls, grouting rock joints and fissures, diverting debris pathways, and rerouting surface and underwater drainage.

SNOW AVALANCHES:

*An avalanche is a rapid flow of snow down a hill or mountainside. Although avalanches can occur on any slope given the right conditions, certain times of the year and certain locations are naturally more dangerous than others.

*The effects and impact of avalanches causes physical damage such as blockage of roads, streams, damage to buildings, electric and communication lines and loss of life.

*Avalanches can be caused by many things. Some of them are natural. For example, new snow or rain can cause built up snow to loosen and fall down the side of a mountain. Earthquakes and the movement of animals have also been known to cause avalanches.

*Artificial triggers can also cause avalanches. For example, snowmobiles, skiers, gunshots, and explosives have all been known to cause avalanches.

*Snow avalanches can be mitigated by shifting people and property from the areas which are prone to avalanches or by protecting the people and property by using engineered sheds, walls, berms and deflectors to absorb, dissipate or redirect moving avalanches

FLOODS:

*Floods are temporary inundation of large regions as a result of rivers overflowing their banks because of heavy rain, high winds, cyclones, storm surges along coast, tsunami, melting of snow or cloudburst,

*Floods are common natural disasters that can affect millions of people around the world. They destroy houses and buildings, and carry soil away from valuable farming land. Floods can also contaminate drinking water and lead to diseases.

*Floods are caused by many factors: heavy precipitation, severe winds over water, unusual high tides, tsunamis, or failure of dams, levels, retention ponds, or other structures that contained the water.

*Some methods of flood control have been practiced since ancient times. These methods include planting vegetation to retain extra water, terracing hillsides to slow flow downhill, and the construction of floodways (man-made channels to divert floodwater).

DROUGHT AND FAMINE:

*Drought can be defined as a lack or shortage of water for an unusually long period. It can have a substantial impact on the ecosystem and agriculture of the affected region..Famine is a widespread scarcity of food, caused by several factors including crop failure, population unbalance etc.

*A situation of drought occurs generally when a region receives consistently below average precipitation.

*Drought results in shortage in the agricultural production thereby causing food shortage that can lead to famine.

*Droughts can have significant impact on environment, agriculture, health, economy and social aspects.

CLOUD BURST:

*A cloudburst is an extreme amount of precipitation in a short period of time, sometimes accompanied by hail and thunder, which is capable of creating flood conditions.

*The cloudbursts in India occur during monsoon season in Himalayan region, Northereastern states and the Western Ghats.

*Cloud bursts cause huge damage to buildings, infrastructure, communication links etc.

*The cloud burst lead to sudden flash floods, mudslides, and debris slides. It is , therefore necessary to follow the same mitigation measures as are to be followed in case of floods.

MITIGATION:

*Mitigation is an effort to reduce loss of life and property by reducing the impact of disasters.

*It means elimination or reduction of the frequency, magnitude, or severity of exposure to risks, or minimization of the potential impact of a threat or warning. Some

examples of mitigation measures are:

a. For earthquake:
i. Enforcement of building codes
ii. Retrofitting of existing buildings
iii. Verification of building plans

b. For landslide and snow avalanches:
i. Retaining walls
ii. Plantation
iii. Mapping
iv. Drainage management.
v. Stop indiscriminate mining

c. For floods:
i. Embankments
ii. Construction on higher areas
iii. Flood Zonation Mapping
iv. Land using planning

d. For drought and famine:
i. Rain Water Harvesting
ii. Construction of dams
iii. Desalination
iv. Awareness.

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